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Medicare: Liability of persons using reimbursed physicians' services: 1980

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Overview

This *Note* presents detailed statistics on the liability incurred by persons reimbursed for physicians' and other medical services under Medicare's supplementary medical insurance (SMI) program in 1980. The report shows that a large proportion of enrollees incur considerable liabilities for physicians' charges not paid by Medicare.

Supplementary medical insurance pays only part of the charges covered by Medicare for physicians' and other related services used by Medicare patients. Among SMI services, physicians' services have been the most frequently used and in 1980 made up approximately 80 percent of all SMI reimbursements. Patient liability for physicians' services is determined by two factors, cost-sharing (deductible and coinsurance) and whether the physician accepts assignment. The enrollee shares the cost of SMI-covered services by first paying a deductible (\$60 a year in 1980)¹ and then a copayment of 20 percent on subsequent charges allowed or deemed reasonable by Medicare. If the physician does not agree to accept Medicare's allowed charge as the basis for reimbursement, the enrollee is liable for the difference between the physicians' total charge and the allowed charge. Thus, the assignment decision, which the physician determines on each bill, can add considerably to the enrollee's liability. The application of cost-sharing and physician acceptance of assignment in determining patient liability is explained later in this report.

This *Note* excludes the liability resulting from the monthly SMI premium required from all enrollees and the

payments made on behalf of Medicaid recipients covered by Medicare through the State buy-in program. For those persons with dual coverage the State pays the Medicare premium. The total annual SMI premium for 1980 was \$119.80. The Health Care Financing Administration has published an article on enrollee liability including the premium amount (Ferry et al., 1980). The report excludes data of enrollees not exceeding the SMI deductible.

Determining enrollee liability

Determining enrollee liability for physicians' services can be better explained by an example. Assume that an enrollee, upon accumulating \$70 in bills for SMI services submits them to the Medicare carrier who allows \$60 of these bills. Having met the SMI deductible, the enrollee's next physician bill of \$100 was accepted for assignment and the carrier allowed \$80. The carrier paid the physician 80 percent of the \$80 charge or \$64. The enrollee's liability, the coinsurance, was \$16 or the difference between \$80 and \$64. If the physician refused assignment, the enrollee would be liable for an additional \$20, the difference between the total charge (\$100) and the allowed charge, (\$80).

The allowed (reasonable) charge for a specific service is determined according to the following rules and is the lowest of:

- The physician's actual charge for the service.
- The physician's customary charge for the service (the physician's 50th percentile charge level for a specific type of service).
- The prevailing charge, set at the 75th percentile of the customary charges for the service charged by physicians in an area defined by the carrier.

Increases in the prevailing charge are limited by a Medicare Economic Index that was mandated by the Social Security Amendments of 1972. The percent increase in the index is the maximum allowable increase in the prevailing charge for a physician's service. This percentage is based on the weighted averages of changes in general earnings levels and changes in expenses incurred by physicians in office practice (Dutton and McMenamin, 1981).

¹The deductible was raised to \$75 a year effective January 1, 1982.
NOTE: The statistical files are developed and maintained by the Office of Statistics and Data Management in the Bureau of Data Management and Strategy. Programming services for table production were provided by Vikki Latta, Betty Gunn, and Cheryl Black.

Table A
Distribution of supplementary medical insurance total charges less reduction on assigned claims of aged and disabled enrollees: 1975 and 1981

Calendar year	Total charges less reduction on assigned claims	Medicare reimbursement	Enrollee liability			Reduction on unassigned claims
			Total	Deductible	Coin-surance	
Amount in billions						
1975	\$ 6.6	\$ 4.1	\$ 2.5	\$ 1.0	\$ 1.0	\$ 0.5
1981	19.0	12.8	6.3	1.3	3.0	2.0
Percent change						
1975–1981	188	212	150	30	200	300
Percent distribution						
1975	100.0	62.9	37.1	14.6	14.5	8.0
1981	100.0	67.4	32.6	6.6	15.7	10.3

SOURCE: Lazenby, C.; Supplementary medical insurance: Cost sharing and financing. *Health Care Financing Review*. Vol. 5, No. 1. HCFA Pub. No. 03154. Office of Research and Demonstrations, Health Care Financing Administration. Washington. U.S. Government Printing Office, Fall 1983.

Assignment rates

From the start of Medicare, substantial proportions of claims and charges were not accepted for assignment. Data on the net assignment rate based on the proportion of assigned claims to total claims, (excluding claims of hospital-based physicians and group-practice prepayment plans) were first collected in 1968. In 1968, the net assignment rate of physicians in the United States was 59.0 percent. After increasing slightly the following year, the rate fell to 50.5 percent in 1976 and then rose to 52.3 percent in 1981 according to data collected by the Bureau of Quality Control. The rate includes dually entitled Medicare-Medicaid enrollees; and for these enrollees assignment is mandatory. Hence, when the claims of dually entitled enrollees are excluded, assignment rates are lowered. In 1980, according to a Health Care Financing Administration tabulation that was prepared for Congress, nearly 50 percent of reimbursements for all enrollees were accepted for assignment by physicians. However, when the dually entitled were excluded the comparable percentage fell to nearly 39 percent or a decrease of 11 percentage points (United States Special Committee on Aging, 1984).

Based on 1980 data from which this report was prepared, only 22 percent of aged persons served had all their bills accepted for assignment; the comparable figure for the disabled was 38 percent.

SMI charges and enrollee liability: 1975-1981

Before examining the liability of persons using reimbursed physicians' services in 1980, we examine how enrollee liability of the total Medicare population for all SMI services changed over time. The data in Tables A and B are based on the total SMI population enrolled during the year (Lazenby, 1983). In contrast, Tables 1

through 14 comprise only persons who were enrolled during 1980 and reimbursed for physician's and other medical services (persons served). For example, in 1980, there were 26.1 million aged enrolled for SMI during the year. The number of persons reimbursed for physicians' services was 14.9 million. Among the disabled enrollees, the comparable figures were 3.0 million enrollees and 1.5 million persons served.

Total SMI charges after the reduction on assigned claims for aged and disabled enrollees combined rose from \$6.6 billion in 1975 to \$19.0 billion in 1981, an increase of 188 percent (Table A). Because there is no liability for the charge reduction on assigned claims, these amounts represent the total liability of the Medicare program, its reimbursed enrollees, or other third parties. Medicare reimbursements increased by 212 percent in the same period, an average annual rate of increase of 20.9 percent. The total liability of enrollees increased less, 150 percent.

The deductible part of the enrollees' liability rose only 30 percent as the annual deductible remained constant at \$60 from 1973 through 1981. Coinsurance payments increased 200 percent (an average annual increase of 20.1 percent). The reduction on unassigned claims rose the most, 300 percent, an average annual rate of increase of 26.0 percent, the fastest growing component of enrollee liability.

The higher rate of increase in the reduction on unassigned claims reflects the limits on increases in the prevailing physician charge levels imposed by the Medicare Economic Index (MEI). The law defines prevailing charges as those charges within the 75th percentile of all customary charges for a similar service in an area. However, increases in the Medicare prevailing charge are limited by the MEI which takes into account increased costs of the physicians' office practice and the increase in general earnings level in an area. The data show that charges

Table B**Distribution of average enrollee liability for charges incurred by aged and disabled enrollees, for supplementary medical insurance (SMI) services: 1975 and 1981**

Calendar year	Liability per enrollee				Reduction of unassigned claims
	Total	Annual SMI premium	Deductible	Coinsurance	
1975	\$182.50	\$ 80.40	\$40.10	\$ 40.00	\$ 22.00
1981	345.40	123.60	44.80	107.00	70.00
Percent change					
1975-1981	89	54	12	168	218
Percent distribution					
1975	100.0	44.1	22.0	21.9	12.1
1981	100.0	35.8	13.0	31.0	20.3

SOURCE: Lazenby, C.: Supplementary medical insurance: Cost sharing and financing. *Health Care Financing Review*. Vol. 5, No. 1. HCFA Pub. No. 03154. Office of Research and Demonstrations, Health Care Financing Administration. Washington. U.S. Government Printing Office, Fall 1983.

submitted by physicians have increased at a faster rate than the charges allowed by Medicare. Thus, the MEI limited the rate of growth of prevailing charges and hence the rate of growth of reimbursements for physicians services.

During this period the annual SMI deductible was unchanged while physician charges were increasing. Reimbursements also rose because charges increased and rising charges increased the proportion of persons that exceeded the deductible. As a result, reimbursements as a percent of charges increased from 63 percent to 67 percent while enrollee liability fell from 37 to 33 percent (Table A). The comparable figures for the components of enrollee liability were: the deductible decreased from 15 to 7 percent, while the coinsurance rose from 15 to 16 percent, and the reduction on unassigned claims rose from 8 to 10 percent.

Average enrollee liability

Between 1975 and 1981, average enrollee liability, including the annual SMI premium, increased from \$182.50 to \$345.40 per enrollee, or 89 percent (Table B). The comparable per enrollee figures for the reduction amount on unassigned claims rose from \$22 to \$70 or 218 percent, followed by the coinsurance, 168 percent, the SMI premium, 54 percent, and the deductible, 12 percent. As a result of these changes, between 1975 and 1981, the coinsurance per enrollee as a percent of enrollee liability increased from 22 to 31 percent and reduction on unassigned claims increased from 12 to 20 percent. The proportion fell from 44 to 36 percent for the SMI premium and from 22 to 13 percent for the deductible. The 89 percent increase in SMI liability per enrollee was higher than the rise in the Consumer Price Index, (69 percent) in the comparable period (Bureau of Census, 1982).

Highlights

Aged persons served

Table 1:

- In 1980, nearly 14.9 million aged persons served incurred total charges for physicians' services of \$11.3 billion. Reimbursements for these services totaled \$6.6 billion, and the liabilities of aged persons served were \$3.5 billion.
- Those persons reimbursed for physicians' services constituted only 57 percent of the aged SMI population.

Table 2:

- The 6.8 percent of aged persons served with annual charges of \$2,500 or more accounted for 39.2 percent of total physicians' charges and 40.7 percent of the Medicare physician reimbursements.
- Highlighting the insurance nature of the program, persons incurring annual charges of \$2,500 or more represented only 4.2 percent of the total aged SMI population. (A medical insurance program is intended to protect the small proportion of the population that incurs high medical expenses.)
- Despite the high share of the Medicare reimbursements for physician services accounted for by this small proportion of the total enrollment, they also accounted for one-third of the patient liabilities.

Table 3:

- For all aged persons served, reimbursements as a percent of total charges less the reduction on assigned claims was 65.2 percent, the remainder, 34.8 percent, was the patients' liability.
- Liability of persons served as a percentage of total charges less reduction on assigned claims decreased as the amount of charges incurred increased.

Table 4:

- The average reimbursement per person served was \$441 and the average liability was \$235 per person served.
- Average liabilities ranged from \$64 per person served for those aged with annual charges of less than \$200 to \$2,081 for those with charges of \$6,000 or more. Average Medicare reimbursement corresponding to those categories were \$44 and \$4,933, respectively.
- The 4.2 percent of the Medicare enrollees who incurred total physician charges of \$2,500 or more had average liabilities of \$1,131 during the year although average Medicare reimbursements for these persons were almost \$2,600.

Components of enrollee liability

Table 5:

- Liabilities of \$3.5 billion for aged persons served consisted of \$1.6 billion for coinsurance, \$1.3 billion for reductions on unassigned claims, and \$0.6 billion for the deductible.

Table 6:

- As annual physicians' charges per person served increased, the deductible as a percent of total liability decreased.
- The reduction on unassigned claims as a percent of total enrollee liability increased from 24.1 percent for annual charges less than \$200 to 41.3 percent for charges \$6,000 or more.
- Coinsurance also increased from 16.7 percent of the liability for persons incurring charges under \$200 to 56.7 percent for those incurring charges of \$6,000 or more.

Table 7:

- Of the average of \$235 in liabilities incurred per person served, \$105 were for coinsurance (44.6 percent), \$88 for the reduction amount on unassigned claims (37.6 percent), and \$42 for the deductible (17.8 percent).

How the aged pay for health care

Because liabilities can be substantial, how do enrollees pay for their physician's charges? According to the National Medical Care Utilization and Expenditure Survey (NMCUES) of noninstitutionalized aged Medicare enrollees for 1980:

- 64.9 percent also had private health insurance.
- 12.7 percent were also covered by Medicaid (Medicaid provides coverage for a large number of aged persons in nursing homes).
- 1.3 percent had some other health coverage.
- 21.2 percent had Medicare only, and presumably, were personally responsible for the liabilities not covered by Medicare.

- NMCUES respondents indicated that their private health insurance generally covered only surgical and other physician charges in the hospital. Further, it generally covered some or all of the coinsurance but not the liability due to the reduction of charges of unassigned claims. Thus, even supplemental insurance does not provide complete protection for liabilities remaining after Medicare reimbursement.
- Medicaid pays the Medicare coinsurance and the deductible for persons dually entitled (physicians must accept assignment for these patients).

Disabled persons served

Table 8:

- Nearly 1.5 million disabled persons including those eligible solely because of end-stage renal disease, were reimbursed for physicians' and other suppliers of Medicare services used in 1980. Total charges for these services were \$1,444 million, Medicare reimbursements totaled \$846 million, and enrollee liabilities were \$372 million.
- These persons reimbursed for physicians' services were only 49 percent of the disabled SMI population.
- Of the disabled persons served, 5 percent incurred annual physician charges of \$4,000 or more and accounted for 36.7 percent of total physicians' charges. The comparable proportions for the aged were far less: persons served, 2.7 percent and total charges, 22.4 percent. Persons with end-stage renal disease (ESRD) account for a large share of the disabled incurring high physician charges. Persons with ESRD account for a larger proportion of disabled enrollees than they do among aged persons.
- Persons with ESRD are extremely high users of medical services. Though they were only 3.2 percent of all disabled using reimbursed physicians' services in 1980, they accounted for 16.1 percent of total charges (based on tabulations of ESRD patients not shown separately in Table 8).

Table 9:

- The 5 percent of the disabled persons served who incurred total physicians' charges of \$4,000 or more accounted for 36.7 percent of the total physicians' charges and 38.4 percent of Medicare physician reimbursements.
- These disabled persons served represented only 2.5 percent of disabled persons enrolled in SMI during 1980.
- Despite the high share of the Medicare reimbursements accounted for by the small proportion of the total enrollment, they also accounted for 30.3 percent of the patient liabilities for physician services.
- Disabled persons who incurred charges less than \$400 accounted for 52.8 percent of the persons served but only 9.3 percent of the total charges.

Table 10:

- Reimbursements were 69.4 percent of total physicians' charges less reductions on assigned claims; the patients' liability was 30.6 percent of total charges.
- Because of the greater proportion of disabled persons served in the higher reimbursement categories, Medicare reimbursed a larger proportion of the charges for the disabled (69.4 percent) than for the aged (65.2 percent).

Table 11:

- The average physicians' charges per disabled person served were \$985, charges less the reduction on assigned claims averaged \$831, reimbursements averaged \$577, and patient liability \$254.
- Average liability ranged from \$54 per person served for those with annual charges less than \$200 to \$2,038 for those with charges of \$6,000 or more.
- The 5.0 percent of the disabled enrollees who incurred physicians' charges of \$4,000 or more had average liabilities of \$1,544 during the year although average Medicare reimbursements for these persons were \$4,400.

Components of enrollee liability

Table 12:

- Liabilities of disabled persons served were \$372.1 million, consisting of \$55.1 million for deductibles, \$201.9 million for coinsurance, and \$115 million for reductions on unassigned claims.

Table 13:

- Coinsurance made up 54.3 percent of total liability for physicians' charges, the reduction amount from unassigned claims, 30.9 percent, and the deductible, 14.8 percent.
- The disabled have a higher overall average charge for physicians' services than the aged. Much of the difference in charges was due to the higher proportion of ESRD patients among the disabled. Because persons with ESRD have such high expenses and receive regular and frequent medical care, physicians' accept assignment in higher proportions than for other patients.
- As a result, (based on tabulations of ESRD patients not shown separately in Tables 6 and 12) for those with \$6,000 or more in annual physicians' charges, coinsurance for disabled persons with ESRD was 87.0 percent of total enrollee liability; for the disabled without ESRD the comparable figure was 62.2 percent; and for the aged, only 56.7 percent.

Table 14:

- The average liability for physicians' charges per disabled person served was \$254, coinsurance averaged \$138, the reduction amount was \$78, and the deductible was \$38.

Discussion

This *Note* shows that, large numbers of aged and disabled persons incur substantial liabilities for physicians' charges that are not paid by Medicare; even where Medicare already pays a major share of the physicians' charges. Because Medicare pays for much of the costs for hospital care, charges for physicians' services are the largest patient liability among the Medicare-covered services (Fisher, 1980). Before discussing how the elderly pay for physicians' services (similar data for the Medicare disabled are not available) let us examine the relative importance of the various sources of payment for physician services (Fisher, 1980). In 1977, among the aged, (latest year available) of total expenditures for covered and non-covered physicians' services, private sources paid for 41.8 percent, consisting of 26.2 percent in out-of-pocket payments (including SMI premiums), and 15.5 percent in private health insurance expenditures. The remainder, the public sector, paid 58.2 percent, comprised of Medicare, 54.2 percent, Medicaid, 3.1 percent, and all other Federal, State, and local programs, 0.9 percent.

In 1980, 12 percent of the total aged SMI population incurred charges for physicians' services of \$1,000 or more and their average liabilities for these services ranged from \$355 to \$2,081 (Tables 2 and 4). According to unpublished data collected by the National Medical Care Utilization and Expenditure Survey (MNCUES) only 8.5 percent of aged noninstitutionalized Medicare enrollees had personal incomes of \$15,000 or more in 1980. These aged noninstitutionalized enrollees made up 95 percent of the aged. Thus, for many enrollees, physician out-of-pocket payments represent a sizable financial burden.

How, then, do enrollees meet their liabilities for physicians' services? To protect themselves, NMCUES reported that 64.9 percent of aged noninstitutionalized enrollees bought private health insurance coverage and another 1.3 percent had some other health coverage (Garfinkel and Corder). In addition, 10.2 percent were covered by Medicaid and 2.5 percent had Medicare, Medicaid, and private insurance. For enrollees with both Medicare and Medicaid coverage Medicaid pays the deductible and coinsurance. Assignment is mandatory for Medicaid eligibles. There were 21.2 percent of the noninstitutionalized aged with Medicare coverage only. For these persons, the liability was probably paid out-of-pocket by the enrollee and their family.

Because of the diversity of private health insurance plans, NMCUES did not obtain detailed information on benefits and reimbursements. However, NMCUES found that for physicians' services, 91 percent of the plans of the noninstitutionalized aged paid surgeons' charges, 88 percent paid for doctors' visits in-hospital, but only 54 percent paid for routine office visits or ambulatory care. Private health insurance coverage generally pays all or part of the coinsurance for physicians' services in inpatient facilities. Most private plans, even those covering physicians' inpatient services, pay the coinsurance only on that portion of the charge allowed by Medicare (McCall, 1983). Thus, the liability due to the reduction on

unassigned claims is likely to be an out-of-pocket expense even for those who have private health insurance. The restriction of coinsurance coverage by private plans to the portion of the charges deemed reasonable by Medicare is a common feature of these plans.

Conclusions

Despite the protection of Medicare, many aged enrollees incur considerable liabilities for physicians' charges. Those who can afford it obtain additional protection by buying private health insurance (Medigap). Even for these persons, many plans do not cover ambulatory care or physicians' office visits. Those plans that supplement Medicare rarely pay the reduction amount on unassigned claims. In spite of Medicare and complementary health insurance, incurring high physician charges continue to pose a financial burden for the aged Medicare enrollee.

In order to relieve the financial burden of a serious illness, HCFA has studied proposals to raise the assignment rate. Among the proposals is requiring physicians to accept assignment from all their Medicare patients or from none of them. Mitchell and Cromwell (1983) found that more than two-thirds of the physicians in a 1976 survey stated they would take none of their patients on assignment if forced to choose. They estimated in this case that assignment rates nationwide would fall almost 10 percent. The mean number of assigned visits would actually increase 11 percent for general practitioners, while decreasing 12-25 percent for general surgeons, internists, and obstetricians/ gynecologists. Because the latter represent speciality services and, presumably, higher charges, patient liabilities would probably increase.

The Advisory Council on Social Security (1983) recommended an all or nothing assignment system. It proposed a statutory revision of the Medicare assignment system. Under their proposal, physicians would either annually elect to accept assignment on all services to Medicare patients or not accept assignment for any services (all their claims would be unassigned). To prevent a possible fall in assignment rates under the new system, the council also recommended that Medicare annually publish directories of physicians accepting assignment (Advisory Council, 1983). In November 1983, HCFA instructed Medicare carriers to publish lists of doctors and other health care suppliers in their service area who have accepted assignment in the previous calendar year. Each entry lists rates of acceptance in 10 percentage point intervals: 0 through 10, 11 through 20, etc. The carriers have been directed to send one copy of the listing to each social security office in their service area and the list has been furnished to State and area agencies on aging. Local senior citizen organizations may also request the lists from carriers.

Technical notes

Sources of limitation and data

The data in this report are based on SMI claim forms submitted to carriers. The forms include the HCFA-1490,

the basic SMI claims form; the HCFA-1491, used in billing for ambulance services; and the HCFA-1556 used by group practice prepayment plans. The HCFA-1554, used to bill for services furnished by hospital-based physicians, is excluded from the tabulations in this *Note* and is estimated to account for 3 percent of total physician reimbursements. For the data in this *Note*, carriers prepared a summary of all claims for a sample of Medicare enrollees who used services in 1980 and whose claims were received by October 1, 1981. The data are based on claims submitted for a 1-percent sample of aged enrollees and a 5-percent sample of disabled enrollees. The sample is based on the health insurance claim number of the enrollee. The data presented here include only persons served; those who exceeded the SMI deductible; and those who were reimbursed by Medicare. As explained in *Use of physicians' services under the supplementary medical insurance program, 1975-1978*, (McMillan et al., 1983) not all carriers submit a complete sample of physician claims to HCFA by the required deadline. Thus, files are closed with some carriers having large shortages in reporting paid physician claims. We estimate that due to the incompleteness of claims submitted, reimbursements in the United States for physician services to aged and disabled persons combined are understated by about 7 percent in this *Note*. Other dollar figures are similarly understated. The number of persons served is understated by about 5 percent and reimbursement per person served is short by about 4 percent.

Definitions

Aged—Persons 65 years of age and over enrolled in the Medicare program.

Assignment rate—The proportion of SMI total covered charges that the physician or supplier agrees to accept as the carriers' determination of allowable or reasonable charges as full payment.

Carrier—Nongovernment organization authorized as fiscal agent to determine amounts of payments due and to make such payments for covered services provided to SMI enrollees.

Disabled—Persons under 65 years of age entitled to Medicare because of coverage under the disability program, and individuals with end-stage renal disease. When disabled beneficiaries attain age 65 they are reclassified as aged enrollees.

Persons served—Enrollees who exceeded the deductible and received reimbursements under the Medicare SMI program.

Physicians' services—Medicare covers a variety of physicians' and related services, including medical and surgical services by a physician, wherever furnished, major dental surgery, and services usually connected with a physician's treatment and included in his bill—such as diagnostic tests, medical supplies, services of a physician's nurse, drugs and biologicals that cannot be self-administered, other covered services, and supplies.

Reduction on unassigned claims—The liability of the enrollee for the difference between the physicians or suppliers total covered charge and the allowed charge.

Supplementary medical insurance—Covers outpatient services, home health services for persons not covered under Medicare's hospital insurance program, and renal dialysis services in limited care facilities.

Total charges—Represents total covered charges submitted by a physician or supplier for services rendered to Medicare enrollees.

Total enrollee liability—Represents a beneficiary's liability (or cost-sharing) resulting from outlays for the deductible and coinsurance and the liability arising from unassigned claims.

Sampling error

Data in this report are estimates based on a 1-percent sample of aged enrollees and a 5-percent sample of disabled enrollees. Tables are available from the authors showing approximate standard errors for most of the estimates in this report. The standard error is primarily a measure of sampling variability, that is, or the variation that occurs by chance, because a sample rather than the whole population is used. To calculate standard errors at a reasonable cost, approximate methods were used. Thus, these tables should be used only as indicators of the order of magnitude of the standard errors for specific estimates. In general, estimates for small subgroups and percentages or means with small bases tend to be relatively unreliable. All sample statistics meet statistical tests at the 5-percent significance level.

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Table 1
Physicians' services—Aged persons served, charges, reimbursements, and liability,
by annual charges: 1980

Annual total charges per person served	Number of persons served ¹	Total charges	Total charges less reduction on assigned claims	Medicare reimbursements	Liability of persons served ²
Amount in millions					
Total	14,886,800	\$11,340.7	\$10,058.7	\$6,560.6	\$3,498.0
\$1-\$199	5,233,800	598.1	564.1	228.0	336.1
\$200-\$399	3,337,500	951.9	882.3	485.6	396.6
\$400-\$699	2,116,200	1,117.6	1,012.7	631.0	381.6
\$700-\$999	1,063,600	888.8	794.2	522.3	271.9
\$1,000-\$1,499	1,044,500	1,281.3	1,144.5	773.2	371.2
\$1,500-\$1,999	633,500	1,096.3	982.4	668.9	313.5
\$2,000-\$2,499	429,900	959.0	850.1	585.6	264.6
\$2,500-\$2,999	283,700	775.8	686.8	473.5	213.3
\$3,000-\$3,999	330,800	1,136.3	992.1	685.6	306.5
\$4,000-\$4,999	164,500	733.4	629.5	441.3	188.1
\$5,000-\$5,999	96,100	522.7	449.0	312.2	136.8
\$6,000 or more	152,700	1,279.6	1,071.0	753.3	317.7

¹Persons who exceeded the supplementary medical insurance deductible and were reimbursed by Medicare for the use of physicians' services.

²No patient liability accrues from Medicare reductions on assigned claims.

Table 2
Physicians' services—Percent distribution of aged persons served, charges, reimbursements,
and liability, by annual charges: 1980

Annual total charges per person served	Number of persons served	Total charges	Total charges less reduction on assigned claims	Medicare reimbursements	Liability of persons served
Percent distribution					
Total	100.0	100.0	100.0	100.0	100.0
\$1-\$199	35.2	5.3	5.6	3.5	9.6
\$200-\$399	22.4	8.4	8.8	7.4	11.3
\$400-\$699	14.2	9.9	10.1	9.6	10.9
\$700-\$999	7.1	7.8	7.9	8.0	7.8
\$1,000-\$1,499	7.0	11.3	11.4	11.8	10.6
\$1,500-\$1,999	4.3	9.7	9.8	10.2	9.0
\$2,000-\$2,499	2.9	8.5	8.4	8.9	7.6
\$2,500-\$2,999	1.9	6.8	6.8	7.2	6.1
\$3,000-\$3,999	2.2	10.0	9.9	10.5	8.8
\$4,000-\$4,999	1.1	6.5	6.3	6.7	5.4
\$5,000-\$5,999	.6	4.6	4.4	4.8	3.9
\$6,000 or more	1.0	11.3	10.6	11.5	9.1

Table 3
Physicians' services—Percent distribution
of total charges of aged persons served,
by annual total charges: 1980

Annual total charges per person served	Total charges less reduction on assigned claims	Medicare reimburse- ments	Liability of persons served
Percent distribution			
Total	100.0	65.2	34.8
\$1-\$199	100.0	40.4	59.6
\$200-\$399	100.0	55.0	45.0
\$400-\$699	100.0	62.3	37.7
\$700-\$999	100.0	65.8	34.2
\$1,000-\$1,499	100.0	67.6	32.4
\$1,500-\$1,999	100.0	68.1	31.9
\$2,000-\$2,499	100.0	68.9	31.1
\$2,500-\$2,999	100.0	68.9	31.1
\$3,000-\$3,999	100.0	69.1	30.9
\$4,000-\$4,999	100.0	70.1	29.9
\$5,000-\$5,999	100.0	69.5	30.5
\$6,000 or more	100.0	70.3	29.7

Table 4
Physicians' services—Charges, reimbursements, and liability per aged person served,
by annual charges: 1980

Annual total charges per person served	Total charges	Total charges less reduction on assigned claims	Medicare reimbursements	Liability of persons served
Amount per person served				
Total	\$ 762	\$ 676	\$ 441	\$ 235
\$1-\$199	114	108	44	64
\$200-\$399	285	264	145	119
\$400-\$699	528	479	298	180
\$700-\$999	836	747	491	256
\$1,000-\$1,499	1,227	1,096	740	355
\$1,500-\$1,999	1,731	1,551	1,056	495
\$2,000-\$2,499	2,231	1,977	1,362	615
\$2,500-\$2,999	2,735	2,421	1,669	752
\$3,000-\$3,999	3,435	2,999	2,073	927
\$4,000-\$4,999	4,458	3,827	2,683	1,143
\$5,000-\$5,999	5,439	4,672	3,249	1,424
\$6,000 or more	8,380	7,014	4,933	2,081

Table 5

Physicians' services—Components of liability of aged persons served, by annual charges: 1980

Annual total charges per person served	Liability of persons served			Reduction on unassigned claims
	Total	Deductible	Coinsurance	
	Amount in millions			
Total	\$3,498.0	\$622.2	\$1,561.2	\$1,314.5
\$1–\$199	336.1	198.9	56.1	81.0
\$200–\$399	396.6	149.7	118.4	128.5
\$400–\$699	381.6	93.3	150.7	137.6
\$700–\$999	271.9	46.5	123.4	102.1
\$1,000–\$1,499	371.2	44.9	182.4	143.9
\$1,500–\$1,999	313.5	27.0	158.1	128.4
\$2,000–\$2,499	264.6	18.4	138.5	107.6
\$2,500–\$2,999	213.3	12.1	112.1	89.1
\$3,000–\$3,999	306.5	14.2	162.3	130.0
\$4,000–\$4,999	188.1	6.8	105.5	75.8
\$5,000–\$5,999	136.8	4.0	73.7	59.2
\$6,000 or more	317.7	6.4	180.0	131.3

Table 6

Physicians' services—Percent distribution of components of liability of aged persons served, by annual charges: 1980

Annual total charges per person served	Liability of persons served			Reduction on unassigned claims
	Total	Deductible	Coinsurance	
	Percent distribution			
Total	100.0	17.8	44.6	37.6
\$1–\$199	100.0	59.2	16.7	24.1
\$200–\$399	100.0	37.8	29.9	32.4
\$400–\$699	100.0	24.4	39.5	36.1
\$700–\$999	100.0	17.1	45.4	37.6
\$1,000–\$1,499	100.0	12.1	49.1	38.8
\$1,500–\$1,999	100.0	8.6	50.4	41.0
\$2,000–\$2,499	100.0	7.0	52.3	40.7
\$2,500–\$2,999	100.0	5.7	52.6	41.8
\$3,000–\$3,999	100.0	4.6	53.0	42.4
\$4,000–\$4,999	100.0	3.6	56.1	40.3
\$5,000–\$5,999	100.0	2.9	53.9	43.3
\$6,000 or more	100.0	2.0	56.7	41.3

Table 7

Physicians' services—Components of liability per aged person served, by annual charges: 1980

Annual total charges per person served	Liability of persons served			Reduction on unassigned claims
	Total	Deductible	Coinsurance	
	Amount per person served			
Total	\$ 235	\$42	\$ 105	\$ 88
\$1—\$199	64	38	11	15
\$200—\$399	119	45	35	39
\$400—\$699	180	44	71	65
\$700—\$999	256	44	116	96
\$1,000—\$1,499	355	43	175	138
\$1,500—\$1,999	495	43	250	203
\$2,000—\$2,499	615	43	322	250
\$2,500—\$2,999	753	43	396	314
\$3,000—\$3,999	927	43	491	393
\$4,000—\$4,999	1,143	41	641	461
\$5,000—\$5,999	1,424	42	767	616
\$6,000 or more	2,081	42	1,179	860

Table 8

Physicians' services—Disabled persons served, charges, reimbursements, and liability, by annual charges: 1980

Annual total charges per person served	Number of persons served ¹	Total charges	Total charges less reduction on assigned claims	Medicare reimbursements	Liability of persons served ²
	Amount in millions				
Total	1,464,920	\$1,443.6	\$1,217.8	\$845.7	\$372.1
\$1-\$199	483,840	51.9	46.6	20.7	26.0
\$200-\$399	289,540	82.9	73.2	42.1	31.1
\$400-\$699	211,640	112.8	97.8	62.8	35.0
\$700-\$999	115,760	96.9	82.3	55.6	26.7
\$1,000-\$1,499	112,300	137.9	117.1	80.9	36.2
\$1,500-\$1,999	64,960	112.4	95.2	66.8	28.4
\$2,000-\$2,499	42,800	95.6	81.1	57.8	23.3
\$2,500-\$2,999	31,080	85.1	72.1	51.4	20.7
\$3,000-\$3,999	39,940	137.6	115.3	83.3	32.0
\$4,000-\$4,999	23,320	104.0	86.2	63.1	23.2
\$5,000-\$5,999	15,140	82.6	69.0	49.9	19.1
\$6,000 or more	34,600	344.1	281.9	211.4	70.5

¹Persons who exceeded the supplementary medical insurance deductible and were reimbursed by Medicare for the use of physicians' services.

²No patient liability accrues from Medicare reductions on assigned claims.

Table 9
Physicians' services—Percent distribution of disabled persons served, charges, reimbursements, and liability, by annual charges: 1980

Annual total charges per person served	Number of persons served	Total charges	Total charges less reduction on assigned claims	Medicare reimbursements	Liability of persons served
Percent distribution					
Total	100.0	100.0	100.0	100.0	100.0
\$1-\$199	33.0	3.6	3.8	2.4	7.0
\$200-\$399	19.8	5.7	6.0	5.0	8.4
\$400-\$699	14.5	7.8	8.0	7.4	9.4
\$700-\$999	7.9	6.7	6.8	6.6	7.2
\$1,000-\$1,499	7.7	9.6	9.6	9.6	9.7
\$1,500-\$1,999	4.4	7.8	7.8	7.9	7.6
\$2,000-\$2,499	2.9	6.6	6.7	6.8	6.3
\$2,500-\$2,999	2.1	5.9	5.9	6.1	5.6
\$3,000-\$3,999	2.7	9.5	9.5	9.9	8.6
\$4,000-\$4,999	1.6	7.2	7.1	7.5	6.2
\$5,000-\$5,999	1.0	5.7	5.7	5.9	5.1
\$6,000 or more	2.4	23.8	23.1	25.0	19.0

Table 10
Physicians' services—Percent distribution of total charges of disabled persons served, by annual total charges: 1980

Annual total charges per person served	Total charges less reduction on assigned claims	Medicare reimbursements	Liability of persons served
Percent distribution			
Total	100.0	69.4	30.6
\$1-\$199	100.0	44.4	55.8
\$200-\$399	100.0	57.5	42.5
\$400-\$699	100.0	64.2	35.8
\$700-\$999	100.0	67.6	32.4
\$1,000-\$1,499	100.0	69.1	30.9
\$1,500-\$1,999	100.0	70.2	29.8
\$2,000-\$2,499	100.0	71.3	28.7
\$2,500-\$2,999	100.0	71.3	28.7
\$3,000-\$3,999	100.0	72.2	27.8
\$4,000-\$4,999	100.0	73.2	26.9
\$5,000-\$5,999	100.0	72.3	27.7
\$6,000 or more	100.0	75.0	25.0

Table 11
Physicians' services—Charges, reimbursements, and liability per disabled persons served, by annual charges: 1980

Annual total charges per person served	Total charges	Total charges less reduction on assigned claims	Medicare reimbursements	Liability of persons served
Amount per person served				
Total	\$ 985	\$ 831	\$ 577	\$ 254
\$1-\$199	107	96	43	54
\$200-\$399	286	253	145	107
\$400-\$699	533	462	297	165
\$700-\$999	837	711	480	231
\$1,000-\$1,499	1,228	1,043	720	322
\$1,500-\$1,999	1,730	1,466	1,028	437
\$2,000-\$2,499	2,234	1,895	1,350	544
\$2,500-\$2,999	2,738	2,320	1,654	666
\$3,000-\$3,999	3,445	2,887	2,086	801
\$4,000-\$4,999	4,460	3,696	2,706	995
\$5,000-\$5,999	5,456	4,557	3,296	1,262
\$6,000 or more	9,945	8,147	6,110	2,038

Table 12
Physicians' services—Components of liability of disabled persons served, by annual charges: 1980

Annual total charges per person served	Liability of persons served			Reduction on unassigned claims
	Total	Deductible	Coinsurance	
	Amounts in millions			
Total	\$372.1	\$55.1	\$201.9	\$115.0
\$1–\$199	26.0	15.5	5.1	5.4
\$200–\$399	31.1	12.1	10.2	8.8
\$400–\$699	35.0	8.8	15.0	11.2
\$700–\$999	26.7	4.7	13.2	8.7
\$1,000–\$1,499	36.2	4.5	19.2	12.5
\$1,500–\$1,999	28.4	2.6	15.8	10.0
\$2,000–\$2,499	23.3	1.7	13.7	7.9
\$2,500–\$2,999	20.7	1.2	12.2	7.3
\$3,000–\$3,999	32.0	1.5	19.8	10.7
\$4,000–\$4,999	23.2	0.9	15.1	7.2
\$5,000–\$5,999	19.1	0.5	11.9	6.7
\$6,000 or more	70.5	1.2	50.7	18.6

Table 13
Physicians' services—Percent distribution of components of liability of disabled persons served, by annual charges: 1980

Annual total charges per person served	Liability of persons served			Reduction on unassigned claims
	Total	Deductible	Coinsurance	
	Percent distribution			
Total	100.0	14.8	54.3	30.9
\$1–\$199	100.0	59.6	19.6	20.8
\$200–\$399	100.0	38.9	32.8	28.3
\$400–\$699	100.0	25.1	42.9	32.0
\$700–\$999	100.0	17.6	49.4	32.6
\$1,000–\$1,499	100.0	12.4	53.0	34.5
\$1,500–\$1,999	100.0	9.2	55.6	35.2
\$2,000–\$2,499	100.0	7.3	58.8	33.9
\$2,500–\$2,999	100.0	5.8	58.9	35.3
\$3,000–\$3,999	100.0	4.7	61.9	33.4
\$4,000–\$4,999	100.0	3.9	65.1	31.0
\$5,000–\$5,999	100.0	2.6	62.3	35.1
\$6,000 or more	100.0	1.7	71.9	26.4

Table 14
Physicians' services—Components of liability per disabled person served, by annual charges: 1980

Annual total charges per person served	Liability of persons served			Reduction on unassigned claims
	Total	Deductible	Coinsurance	
	Amount per person served			
Total	\$ 254	\$38	\$ 138	\$ 78
\$1–\$199	54	32	11	11
\$200–\$399	107	42	35	30
\$400–\$699	165	42	71	53
\$700–\$999	231	41	114	75
\$1,000–\$1,499	322	40	171	111
\$1,500–\$1,999	437	40	243	154
\$2,000–\$2,499	544	40	320	185
\$2,500–\$2,999	666	39	393	235
\$3,000–\$3,999	801	38	496	268
\$4,000–\$4,999	995	39	648	309
\$5,000–\$5,999	1,262	33	786	443
\$6,000 or more	2,038	35	1,465	538

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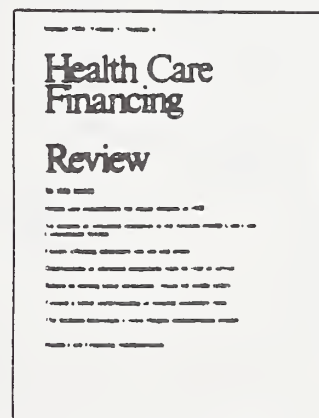
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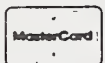
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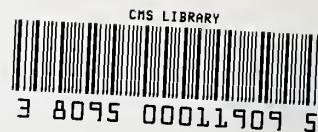
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